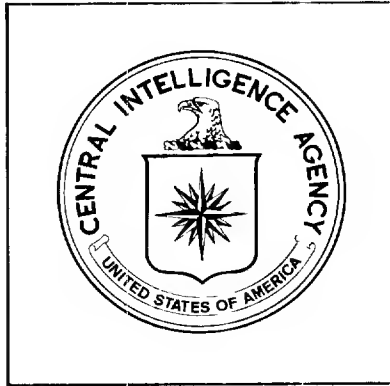


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## STAFF NOTES:

# Soviet Union Eastern Europe

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## SOVIET UNION - EASTERN EUROPE

This publication is prepared for regional specialists in the Washington community by the USSR - Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Parliamentary Nominations Show Ranking  
of Soviet Leaders

The US embassy in Moscow has tabulated the number of electoral districts nominating Soviet leaders to the republic Supreme Soviets, as reported in the central and republic press. This count reveals gradations in ranking not present in *Pravda's* reporting (*Staff Notes*, April 28).

Kirilenko bests Suslov in the total tabulation (44 to 40). This is a departure from all previous elections, including last year's to the USSR Supreme Soviet when Suslov got 36 nominations and Kirilenko 33. It is another indication that Kirilenko's status has benefited from the considerable amount of deputizing he has been doing for Brezhnev this year. Listings of leaders in the press now occasionally put Kirilenko before Suslov.

Next in number of nominations are First Deputy Premier Mazurov (28) and party agricultural secretary Kulakov (24). Although this is a reversal from last year (Kulakov 19, Mazurov 18), it is probably not as significant as the Kirilenko-Suslov change. Rankings below this become more difficult to interpret. A simple party secretary such as Kapitonov benefits from a national post in contrast to Politburo member Grishin, who is party chief of the city of Moscow. Kapitonov also has an advantage because he heads the Central Committee's Organizational Party Work Department, which runs the nominating process.

Below is the embassy's tabulation of this year's nominations:

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Politburo Members

Brezhnev	137
Podgorny	73
Kosygin	69
Kirilenko	44
Suslov	40
Mazurov	28
Kulakov	24
Grechko	22
Pelshe	22
Gromyko	18
Andropov	17
Polyansky	16
Shcherbitsky	14
Kunayev	11
Grishin	6

Politburo Candidate Members

Ustinov	9
Demichev	8
Ponomarev	8
Masharov	2
Rashidov	2
Solomentsev	2
Romanov	1

Secretaries

Kapitonov	10
Dolgikh	9
Katushev	8

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Moscow on Kim Il-song Visit and on China

The Soviets have flatly denied that North Korean President Kim Il-song will be coming to Moscow on his present trip but have hinted at a visit early this summer.

Igor Rogachev, deputy chief of the Soviet Foreign Ministry's Far East division, told a US diplomat on May 27 that Kim will not be coming to Moscow "at this time." Rogachev said nothing about a future Kim visit, but a Soviet official in Western Europe has said that planning is in process for a visit by the North Korean leader in late June or early July. There has been some speculation that Kim would want to balance his April visit to Peking with one to Moscow.

A Chinese diplomat in Moscow claims that Kim did propose a Soviet trip during his current junket, but Moscow turned him down. The diplomat refused to cite supporting evidence or elaborate on Moscow's motives, but his assertion supports indications earlier this month that the Soviets had turned Kim aside.

The Soviets may have felt a visit by the North Korean in the wake of the Communist victory in Indochina would be unnecessarily offensive to Washington and would raise questions about Soviet support for a more assertive policy by Pyongyang. Moscow may even have calculated that in view of Peking's reception of Kim, it could gain some points with Washington by turning a cold shoulder to the North Korean. Moscow's problem was essentially one of timing. Although the Soviets have no great enthusiasm for such things as North Korea's demand for the withdrawal of US troops from the south, they want to host a Kim visit eventually in order to prevent relations with Pyongyang from deteriorating.

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On other matters Rogachev indicated that Sino-Soviet relations are unchanged. He dismissed the possibility of movement in the Peking border talks--"they could be handled by computers," but implied that at some point Moscow would send its chief negotiator back to Peking. He indicated that the annual Sino-Soviet trade pact has been under discussion for two months and would be signed "soon" but added that trade would not significantly increase.

Rogachev used every opportunity to portray the Chinese leadership as unstable and to get in a few digs alleging Chinese unreliability in dealing with the US. He said he had it on good authority that in view of China's trade imbalance with the US, Peking would prefer to buy from third countries and noted that the "hegemony" clause now in dispute in the Sino-Japanese treaty could just as well be applied to Washington as Moscow. He also implied that Moscow anticipates that the Japanese will eventually acquiesce to the inclusion of an anti-hegemony clause. (SECRET NO FOREIGN DISSEM)

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Romania, Yugoslavia and the Asian Connection

A series of related, and perhaps concerted, Yugoslav and Romanian actions highlights the tactics that these mavericks use in defense of the equality of all parties and their freedom of maneuver in foreign affairs.

Following his visit to Moscow in mid-May, Aleksandr Grlickov, Yugoslav party secretary for foreign and interparty relations, journeyed to Bucharest last week to compare notes on Moscow's efforts to arrange a European Communist conference. In Bucharest, he met with Ceausescu; Stefan Andrei, the party secretary for foreign affairs; and Vasile Sandru, who is both Andrei's deputy and a former Romanian ambassador to Belgrade.

By itself, this would have been routine, but Grlickov's visit coincided in part with that of North Korea's Kim Il-song, who was there from May 22-26. There is no public record that Kim and Grlickov met or that there was a three-way meeting. However, Yugoslavia's prominent role in the nonaligned world, the interest of Pyongyang and Bucharest in closer identification with the nonaligned, and the interest of all three in countering Soviet efforts to bring the independent-minded parties into line clearly provided a substantial agenda for discussions.

In any case, Kim and Ceausescu were able to compare notes on these subjects. The two leaders in their capacities as party and state chiefs also signed a "treaty of friendship and collaboration" that is the first formal political link between an East European and an Asian ruling Communist party. The treaty and a warm final communique emphasized the necessity for all countries to respect the principles of sovereignty, independence, and non-intervention. The treaty thus dramatizes the

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"special relationship" between Pyongyang and Bucharest. Typically, it is couched in language that Moscow has endorsed at one time or another. The Kremlin will thus be hard put to object.

Peking's "red carpet" reception of a high-level Romanian delegation on May 25 was another twist of the Soviet tail. Led by Deputy Premier and Education Minister Paul Niculescu, the group was in China from May 25 to 30 ostensibly to open a Romanian industrial exhibit, and appropriately it included two deputy ministers for industrial activity. A clue to its real purpose, however, is the fact that Niculescu was accompanied by Sandru, fresh from his talks with Grlickov and Kim. Niculescu, himself was once the Romanian party's top ideologist, and at Ceausescu's instruction, it was he who walked out in protest from a meeting in Budapest in February 1968 that was preparing for the 1969 world Communist conference in Moscow.

By such actions, Bucharest and Belgrade are seeking psychological and political support against Moscow. Their immediate concern is to ensure that the European Communist conference does not seriously detract from their independent status, but they probably also have an eye on the Kremlin's anticipated push for another world conference of Communist parties. In this regard, they are again bent on making common cause with ideological allies in Asia in much the same way that they did during preparations for the 1969 world meeting. (SECRET)

  
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Yugoslavia: Looking to the Czechs for Jobs

Yugoslavia and Czechoslovakia reached an agreement in mid-May permitting employment of Yugoslav workers in Czechoslovakia. This marks the first employment agreement that Yugoslavia has concluded with any East European country.

Czechoslovakia will use the Yugoslav workers to offset at least in part the virtual halt in labor force growth resulting from the low birth rates of the late 1950s and early 1960s. Czechoslovakia, with one of the highest living standards in Eastern Europe, will provide employment opportunities for several thousand Yugoslav workers faced with rising unemployment at home.

In the first two months of this year, the rate of registered unemployed in the Yugoslav non-agricultural labor force was 9 percent and the number about one-fifth higher than a year earlier. Job markets for foreign workers have tightened in Western Europe because of the recession. Of about 1.1 million Yugoslav workers who had found jobs in Western Europe--nearly half in West Germany alone--some 30,000 returned home last year, and an estimated 20,000 are expected to return this year.

Yugoslavia and Czechoslovakia have also agreed to a clearing system for transferring workers' savings to Yugoslav banks. The remittances will help offset Yugoslavia's chronic trade deficit with Czechoslovakia, which last year reached \$91 million--up 50 percent from 1973. (CONFIDENTIAL)

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Two New Soviet Ministers Appointed

On May 23 the Soviet press announced the appointments of B. V. Bakin as Minister of Installation and Special Construction Work and A. K. Melnichenko as Minister of the Medical Industry. Bakin and Melnichenko replace deceased Ministers F. B. Yakubovsky and P. V. Gusenkov, respectively.

Little is known of Bakin, who was first identified in August 1968 as a deputy minister in the ministry he is to head. Bakin's anonymity and the fact that he was leapfrogged over two more senior and more publicly active first deputy ministers suggest that he may have been involved in classified work.

Melnichenko is 52 and worked in the Main Pharmaceutical Administration of the Ministry of Health in the mid-1950s and served as director of the Central Scientific Research Pharmaceutical Institute in Moscow from 1958 until at least 1964. From 1966 until his appointment as minister of the medical industry, however, Melnichenko worked in the Moscow city party and government organizations, as first secretary of the Lenin Raykom (1966-68), head of the Moscow Gorkom Science and higher educational institutions section (1968-70), and a deputy chairman of the Moscow City Soviet executive committee (1970-75). He also served as chief of the Moscow People's Militia at least during the period 1972-74. (CONFIDENTIAL)

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## Yugoslavia After Tito, Part II

We conclude with today's installment the series assessing the outlook for Yugoslavia after Tito.

### Trade

In 1970, senior Yugoslav foreign trade experts concluded that the nation's foreign trade was too heavily oriented toward the West. The regime decided that it would be in its best interest to redistribute its commerce more equally among the developed countries, the Third World, and the CEMA bloc.

Increased economic cooperation with the East received priority treatment. During the Tito-Brezhnev rapprochement from 1971 to 1974, this goal was largely achieved. By early 1975, however, higher Soviet raw material prices and increased demands on available Soviet materials by both the West and Moscow's Eastern clients began to cloud the prospects for continued high rates of increase in trade with the East. Preliminary Yugoslav-Soviet negotiations on the 1975-1980 five year plan foresee a leveling off in annual trade increases with the USSR.

Yugoslavia's major concern is that the economic downturn in Western Europe that has confronted Belgrade with both higher priced imports and decreased demand for its exports will usher in another series of heavy deficits. Yugoslav trade officials are now visiting West European capitals seeking ways to reduce the imbalance and to assure access of Yugoslav exports to the West.

The most encouraging trend in Yugoslav world trade, in Belgrade's view, is the healthy increase in its economic relations with the Third World. There is every indication that Belgrade plans to exploit its political

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advantages in the Third World to maintain and expand its markets, but it also recognizes that economic ties with the Third World will probably never supplant or equal Belgrade's need for trade with the West.

#### The New Team

Tito's main achievement during his thirty years of rule has clearly been maintaining unity at home. His methods have stressed a willingness to experiment, and a prompt and often vigorous suppression of challenges to central authority. This approach has proved durable and is being translated into workable institutions for his successors.

Tito, however, has always had the benefit of an immense personal popularity that he has invoked as needed both to face down critics and to alter policies suddenly. His successors lack this advantage, and they will have to rely instead on their organizational skills and on long-range planning.

Tito's successors are already grappling with the key problems in a collective manner. The party leadership is the ultimate forum for policy discussions, and its day-to-day work is directed by a 12-man executive committee headed by Stane Dolanc, a 49-year old Slovene. Dolanc will probably be the guiding hand in regime affairs, but as a relative newcomer to the top, he treads softly, particularly in dealing with party seniors like Edvard Kardelj and Vladimir Bakaric.

Continuity in the state administration seems assured. Tito has institutionalized the presidential succession by forming a nine-member collective of senior officials--including Kardelj and Bakaric--that will replace Tito as head of state. Eight members represent territorial-administrative regions, and the

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ninth will be the leader who assumes Tito's party mantle. The collective presidency has been in operation for almost four years, and the annual rotation of its chairmanship has become an accepted means of reassuring Yugoslavs that the state administration will not become the tool of any narrow interest group.

The post-Tito leadership will borrow heavily from Tito's legacy. In foreign affairs, they will use extreme caution in dealing with the great powers lest critics attack them for weakness. In domestic affairs, the new leaders will concentrate on making Tito's political testament--the 1974 constitution--work. The constitution provides a general outline for the future development of Yugoslavia's maverick brand of socialism. As such, it embodies a system antithetical to the Soviet model and is subject to criticism from Moscow and its orthodox allies.

Ensuring a satisfactory level of economic performance probably will be the new regime's most critical problem and its first serious test. The annual budget-making process, for example is loaded with pitfalls. Yugoslavs expect annual increments in their standard of living, and the margin for belt-tightening is small. Chronically high inflation must be controlled, and the country's creditworthiness in the international business community also must be jealously guarded.

The first experiments with the new "self-managing" guidelines suggest that the system will work. The constitutional provisions call for industrial workers to organize and reach "self-managing" agreements that govern such essential issues as salaries and prices. The party plays a strong role in influencing the agreements. It must, however, carefully gauge the popular temper, because party prestige goes on the line with each decision.

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Tito's intention has been to create a system closely linked to the practical day-to-day concerns of the citizenry. As such this arrangement will test his successors' ability to subordinate nationality concerns to the paramount task of developing truly federal programs. In the event that Tito's civilian successors fail to work together effectively, the Yugoslav army would probably move to protect the federation. The possibility of army intervention serves as a pointed reminder to both Tito's civilian subordinates and the population that the Yugoslavs live in too dangerous an environment to continue indulging themselves in parochial rivalries. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DISSEM)

  
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